

Regular Meeting

Agenda Item #	5
Meeting Date	January 24, 2005
Prepared By	Barbara B. Matthews
Reviewed By	

Discussion Item	Resolution declaring the official intent of the City to reimburse expenditures related to the Community Center construction from the proceeds of debt, specifically City of Takoma Park Infrastructure Bonds, 2005 Series "A"
Background	<p>On January 18, 2005, the City Council gave first reading approval of an ordinance providing for the issuance and sale of an aggregate principal amount not to exceed \$2.6 million of City of Takoma Park Infrastructure Bonds, 2005 Series "A" to proceed with the construction of the City's Community Center. Second reading of the ordinance is scheduled for January 24, 2005.</p> <p>It is anticipated that the bonds will be issued and sold in mid- to late April 2005. A portion of the bond proceeds will be used to pay for the work that is currently underway and is being performed by James F. Knott Construction Company, Inc. In order for the City to reimburse expenditures that take place prior to the issuance and sale of the bonds from the bond proceeds, the City must declare its official intent to make such reimbursement.</p>
Policy	The Community Center will serve as the civic and recreational center of Takoma Park and will provide needed facilities for recreational activities and meeting space. The bond issue will provide the funding necessary to complete the project. The proposed resolution will allow the City to reimburse expenditures for the Community Center construction from the bond proceeds as desired by the City Council.
Fiscal Impact	None
Attachments	Proposed resolution declaring the official intent of the City to reimburse expenditures related to the Community Center construction from the proceeds of debt, specifically City of Takoma Park Infrastructure Bonds, 2005 Series "A"
Recommendation	Adopt resolution
Special Consideration	

Introduced by:

RESOLUTION #2005-

**A RESOLUTION DECLARING THE OFFICIAL INTENT OF THE
CITY OF TAKOMA PARK, MARYLAND TO REIMBURSE EXPENDITURES TO BE
INCURRED WITH RESPECT TO THE CONSTRUCTION OF A COMMUNITY
CENTER FROM CERTAIN FUNDS WITH THE PROCEEDS OF DEBT**

WHEREAS, to facilitate an efficient borrowing program, the City of Takoma Park, Maryland (the "Issuer") intends to expend money on the construction of a Community Center from certain funds prior to the issuance of debt by the Issuer for such purposes; and

WHEREAS, the Issuer intends to reimburse such expenditures from the proceeds of debt to be issued by the Issuer; and

WHEREAS, to comply with applicable provisions of the Internal Revenue Code of 1986, as amended, and Section 1.150-2 of the Income Tax Regulations, it is necessary, in order to reimburse such expenditures with the proceeds of tax-exempt debt, that the Issuer declare its official intent to make such a reimbursement of expenditures.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF TAKOMA PARK, MARYLAND THAT, as evidenced by this Resolution, the Issuer intends to expend money for the construction of a Community Center prior to the issuance of bonds or other debt obligations to reimburse such expenditures. With respect to such projects, the Issuer reasonably expects to issue debt obligations for this project in the estimated maximum principal amount of Two Million Six Hundred Thousand Dollars Dollars (\$2,600,000).

Adopted this _____ day of January, 2005.

City of Takoma Park, Maryland

Kathryn H. Porter
Mayor

Attest:

Catherine E. Waters, CMC
City Clerk